



BUDGET COMMITTEE



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Senator Gregg's Senate Floor Remarks on the Cost of the Health Care Reform Bill
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First, let me congratulate the senator from Arizona and the senator from South Dakota for framing this debate on health care with very specific and excellent points.

The simple fact is that the cost of this program is grossly understated, but the cost is extraordinary even when it's understated at almost \$1 trillion. And in fact, if you include in it the doctor fix -- which is a \$200 billion-plus item that was taken off the table so the cost would look better -- the cost of this proposal, fully phased in, is over \$2 trillion over a ten-year period.

And the offsets that are going to be used to pay for this? Their plan is basically to cut Medicare Advantage, eliminate that program for seniors -- and a lot of seniors like Medicare advantage -- and try to save about \$400 billion doing that and take that money and create a brand-new entitlement to benefit people who do not have insurance or people who don't have enough insurance as defined by this bill. In addition they will raise taxes and raise fees. Most of the fees will be coming from the hospital associations, the doctors, the drug companies and the insurers, all of which will be passed through, of course, to consumers in the form of higher premiums or higher costs.

So, again, it's going to be the consumers of America -- middle America and the people who use health care in this country -- who are going to pay the costs of this. And it is a huge gap even between the stated amount that's going to be raised in this bill and the real expenditure in this bill. And that gap goes directly onto the debt of our children, the debt of this country which has to be paid for by our children.

And this is in the context of an Administration which has exploded the size of government in the first ten months of its term, exploded the size of government. They have proposed a budget which over the next ten years will run, on the average, a trillion dollars of deficit every year; which will take the federal debt from about 41% of GDP up to 80% of GDP; which will take federal spending from about 20% of GDP up to about 25% of GDP.

What do all those numbers mean? They mean, quite simply, that our children are going to be passed a country which has so much debt and such a large government that they simply can't afford it. That the quality of the life of our children as they move into their earning years is going to be fundamentally undermined. Their ability to buy a home, their ability to send their kids to college, their ability to just live the quality of lifestyle that our generation has had is going to be fundamentally harmed by this Administration's decisions to spend today as if there is no tomorrow, or to spend today and pass the bills on to tomorrow.

And it is a true affront, really, to the traditions of this country. Let me quote from Thomas Jefferson, who is deemed to be the founder of the Democratic Party. Thomas Jefferson got a lot of things right, of course. He wrote the Declaration of Independence, the most brilliant document in the history of mankind, stating freedoms that we subscribe to. He played a major role in defining our nation and what makes our nation special. And he said this about debt. In a letter to John Taylor in 1816 he said, "I sincerely believe...that the principle of spending money to be paid by posterity under the name of funding is but swindling futurity on a large scale." A big word, swindling, used by the founder of the Democratic Party relative to the use of debt. Then he wrote to William Plumer, coincidentally who was the governor of New Hampshire. He said, "I, however, place economy among the first and most important republican virtues, and public debt as the greatest of the dangers to be feared."

Well, ladies and gentlemen, the proposals that are coming out of this Administration do swindle our children's future, just as Thomas Jefferson has said. To run debts of this size, to run deficits of this size, to put in place a program that is going to cost almost \$2 trillion when it's fully implemented is basically to guarantee that this nation is going to have such a burden of government that we will basically be unable to sustain our government in the form it is today.

What does that lead to when you run up those types of deficits and debt? When you run up that type of spending? Well, at least two options. Our children are going to inherit a nation where we have to devalue the dollar and basically create a situation where everybody's savings and everybody's net worth is dramatically impacted by lessening of the value of that through inflation. Or alternatively, you're going to have to dramatically increase the tax burden of this country to a point where you will undermine the fundamental productivity of our nation and take job creation and the capacity to have prosperity through job creation put all that at risk because the tax burden will become so high.

In fact, it was pointed out that studies have shown that the tax burden will go up to 59% of income under some of the proposals that are pending just on this health reform bill, to say nothing of when you start totaling up all the other bills, all the other spending that's occurring. Even today the Administration announced they will want to spend \$14.5 billion more without offsetting it in any way in order to basically fund an interest group that they feel needs to be funded.

So this raises the fundamental question: why do you proceed in this way? Why would you create a program that is going to have such a devastating impact on the economic future of our nation? Well, you do it because it gets you votes in the next election, I guess. I guess that's why you do it. Certainly, there are ways to reform health care, to improve health care that don't require this massive expansion in the size of government. There are a lot of ways to do that. Let me give you a few.

For example, we could focus on the chronic diseases which are the drivers of health care costs in this country, things like obesity and Alzheimer's, and try to get those under control, and that would help us control costs. We could give employers the incentive through monetary payments, actual cash, to say to their employees, 'Listen, if you go out and you live a healthy lifestyle, we're going to give you a reward in cash. If you stop smoking. If you get yourself into a workout situation where you drop weight, if you take tests such as have your colonoscopy, if you have mammograms, we're going to reward you with money.' That's a step which would significantly improve health care delivery and costs in this country.

We could say to the delivery systems, 'Listen, rather than doing a lot of quantity for the purposes of generating revenue, why don't do you a little quality with value tied to it?' There are health care delivery systems in this country today which accomplish that: Rochester, Minnesota; Salt Lake City, Utah; Pittsburgh, Pennsylvania. There are a whole series of these centers which have shown that you can deliver better quality at lower costs if you're intelligent about it and reduce the overutilization.

We could, as was discussed at length by the senator from South Dakota and the senator from Arizona, do something about abusive lawsuits. The simple fact is that abusive lawsuits are driving huge costs in the health care system. Thirty percent of health care is deemed to be defensive medicine. There is no reason doctors should have to give tests they don't believe they have to give, but they have to give them in order to defend themselves from lawsuits. Those are foolish, foolish and expensive. \$54 billion is the cost estimate from CBO of savings just on that one item, and that's an understated cost because it doesn't, as was pointed out, calculate the defensive medicine side. It just calculates the cost side.

Those are a few good ideas, but there are a lot more good ideas. And they can be done in a step-by-step approach, which gives us better health care without this attempt to basically take over the entire system. Let's not play any more games around here. What is this about? This is about creating a system, putting in place an alleged comprehensive reform, the purpose of which is to drive out of the market private activity, because there are a lot of people on the other side of the aisle who believe that profit is bad and the marketplaces don't work in health care, and move toward a single-payer system.

That's what this is about. Raise premiums to a level where basically most employers will be forced to drop their insurance and push people into what's called an exchange. There will be a public plan in this exchange when it comes back from the conference committee, should it get that far, which hopefully it won't, but if it does, and then

basically push everybody into the public plan and basically create an atmosphere where the playing field is so tilted against any sort of private activity that people who have their insurance today will lose it and you will have to choose a public plan for all intents and purposes. That will be your choice four or five years from now.

And the effect of that, of course, is moving toward a single-payer system, which is what is the open goal, the stated goal by many of my colleagues on the other side and the majority of the people in the House of Representatives. The effect of moving towards a single-payer system or a nationalized system is very destructive to our health care generally. Primarily it means that people will end up with delays. There will be price controls put in place relative to certain types of medicines that you can receive, and innovation will be stifled because people will not be able to invest money and get a reasonable return in the area especially of development of new pharmaceuticals and new biologics which are so critical to the health care system today.

So we will have people standing in line. We will have people basically being subject to delays. We'll have people -- I absolutely guarantee you -- finding their health care rationed, depending on their age, as occurs in England under their system, and we will simply see a significant lessening of innovation, and most importantly, people won't have choices. I mean, you will basically be forced off the private system into a public system. This is the ultimate goal here. Not stated but clearly intended of what's going to happen if you move toward a system as has been outlined, at least in the Kennedy-Dodd bill as it came out of the HELP Committee, which is now somewhere in this building -- we're not is sure exactly where -- being merged into a new piece of legislation with the Finance Committee bill.

So when Thomas Jefferson makes this point that you should not swindle the next generation by radically expanding your debt, we should live by that because it's a pretty good point, and when a bill is brought forward on this floor which alleges to be fiscally responsible and that it claims it meets the obligation, it meets the costs, but it understates the costs by almost \$1.2 trillion, and it overstates how much it is going to generate in revenues and you don't get these Medicare cuts unless -- I have never seen Medicare reductions occur in this Congress. Then basically you're loading up the debt of our children. It's that simple.

The inevitable response of this piece of legislation is that the debt will expand. And as Thomas Jefferson said, he believed in this principle that spending money to be paid by posterity under the name of funding is but swindling the futurity on a large scale. This may be the largest scale of swindling that has ever occurred in America's history.

Mr. President, I yield the floor.